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April 13, 2005

*ALSO ADMITTED IN TX
**ALSO ADMITTED IN VA

The Honorable Charles L.A. Terreni
Chief Clerk/Administrator
Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: Application of Carolina Water Service, Inc. for adjustment of rates
and charges for the provision of water and sewer service and
modification of rate schedules; Docket No. 2004-357-WS

Dear Mr. Terreni:

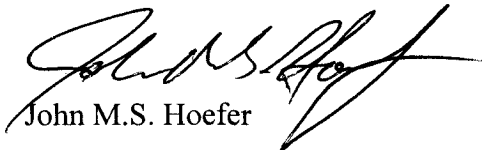
Enclosed for filing please find the original and two (2) copies of Carolina Water Service, Inc.'s Further Supplemental Responses to Office of Regulatory Staff's First Continuing Data Request in the above-referenced matter. By copy of this letter, I am serving counsel for the Office of Regulatory Staff with a copy of same and enclose a certificate of service to that effect.

I would appreciate your acknowledging receipt of this document by date-stamping the extra copy that is enclosed and returning it to me in the envelope provided.

If you have any questions or if you need any additional information, please do not hesitate to contact us.

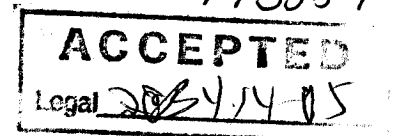
Sincerely,

WILLOUGHBY & HOEFER, P.A.

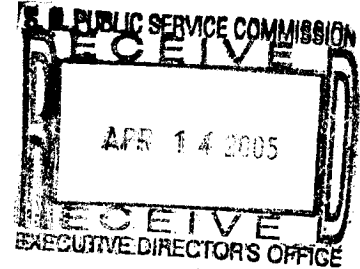

John M.S. Hoefer

JMSH/twb
Enclosures

cc: C. Lessie Hammonds, Esquire
Florence P. Belser, Esquire

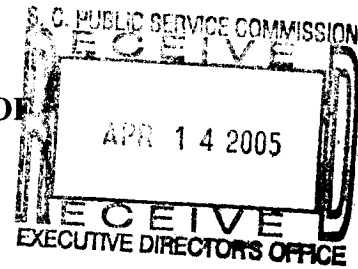


AREA CODE 803
TELEPHONE 252-3300
TELECOPIER 256-8062



BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2004-357-W/S



IN RE:)
)
Application of Carolina Water Service,)
Inc. for adjustment of rates and charges)
and modification of certain terms and)
conditions for the provision of water and)
sewer service.)
_____)

**FURTHER SUPPLEMENTAL
RESPONSES TO OFFICE OF
REGULATORY STAFF'S FIRST
CONTINUING DATA REQUEST**

TO: THE OFFICE OF REGULATORY STAFF AND ITS ATTORNEYS, FLORENCE P. BELSER, ESQUIRE AND C. LESSIE HAMMONDS, ESQUIRE

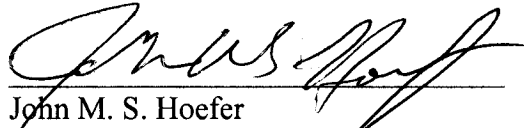
Carolina Water Service, Inc., ("Applicant" of "Company") further supplements it answers to the February 23, 2005, First Continuing Data Request of the Office of Regulatory Staff ("ORS") as follows:

In setting forth its answers, Applicant does not waive any attorney/client, work product, or other privilege which may attach to information called for in, or which may be responsive to, these interrogatories. Applicant does not concede the relevance or materiality of these interrogatories or documents produced in response to same. Applicant reserves the right to question the competency, relevancy, materiality, and admissibility of any information or document provided herewith, and the right to revise, correct, supplement or clarify same. The above objections and privileges are asserted in the response to each interrogatory as if set forth verbatim at the beginning of each response. Where no response has been given, Applicant has been unable to respond within the time requested for response and submits that additional time is warranted given the nature, complexity and quantity of information sought and the scheduled hearing date. See Vol. 26 S.C. Code Ann. Regs. R. 103-804(X)(3) (1976). Responses to requests not provided hereby will be provided as soon as the Company is able to do so.

1.20 Provide details and documentation regarding any DHEC fines. If there are any, for what reasons and in what amounts were the fines issued? Provide a copy of the orders dictating the fines. Does Carolina Water Service, Inc. have any outstanding noted violations by DHEC? If so, what are they and provide a copy of the documentation by DHEC that outlines these potential violations.

Answer: The Company objects to this request on the ground the information sought is not relevant nor likely to lead to the discovery of admissible evidence and that it is overly

broad since it does not specify any time period for which the information is requested. Subject to that objection, the Company further states that it does not, by the instant application, intend to include any such fines in allowable expenses. Also subject to that objection, the Company has previously provided to ORS Staff copies of orders responsive to this request. In addition to the notice of violation previously supplied, the Company is in receipt of the attached notice of alleged violation from DHEC.



John M. S. Hoefer

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Post Office Box 8416

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803-252-3300

Attorneys for Applicant

Columbia, South Carolina
This 13th day of April, 2005.

**STATE OF SOUTH CAROLINA
BEFORE THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL**

**IN RE: CAROLINA WATER SERVICE, INC.
GLENN VILLAGE II (3250058)
LEXINGTON COUNTY**

NOTICE OF VIOLATION/NOTICE OF ENFORCEMENT CONFERENCE

CAROLINA WATER SERVICE, INC. (Respondent) IS HEREBY NOTIFIED that an enforcement conference has been scheduled for Thursday, March 16, 2005 at 10:00 a.m. in the offices of the Bureau of Water, 2600 Bull Street, Columbia, SC 29201 in Room 4181. Representatives of Carolina Water Service, Inc. have the opportunity to be present at this conference to discuss the violations of the State Safe Drinking Water Act cited herein.

Representatives of Carolina Water Service, Inc. may be accompanied at the conference by legal and/or technical counsel. The possibility of a Consent Order may be discussed.

This Notice is based upon the following findings of the Department:

1. Carolina Water Service, Inc. (Respondent) owns and is responsible for the proper operation and maintenance of the public water system (PWS) that supplies water to the residents of Glenn Village II located in Lexington County, South Carolina.
2. The Respondent's PWS consists of two (2) wells and a water distribution system that services one hundred ninety-six (196) taps and a primary population of six hundred (600) residents.
3. The Respondent's PWS is required to be monitored on a quarterly basis for combined Radium 226 and Radium 228. The MCL for combined Radium 226 and 228 is 5 picocuries/Liter (pCi/L). Compliance for the MCL for combined Radium 226 and 228 is based upon the RAA result for four (4) consecutive quarterly samples. The referenced PWS experienced violations when the RAA results for combined Radium 226 and 228 exceeded the MCL for the compliance periods of July 2003 – June 2004, October 2003 – September 2004, and January 2004 – December 2004 as indicated below:

<u>Compliance Period</u>	<u>Results</u>	<u>RAA</u>
July – September 2003	5.6 pCi/L	–
October – December 2003	2.6 pCi/L	–
January – March 2004	11.0 pCi/L	–
April – June 2004	6.4 pCi/L	6 pCi/L
July – September 2004	7.4 pCi/L	7 pCi/L
October – December 2004	9.7 pCi/L	9 pCi/L

4. On July 7, 2004, October 5, 2004, and December 29, 2004, Notices of Violation (NOV) were issued to the Respondent for the referenced PWS for exceedances of the MCL for combined

Radium 226 and 228 during the compliance periods indicated above.

5. The Respondent was informed that he must issue public notice and forward a copy of the notice to the Department within 30 days. The Department received copies of the Respondent's public notices dated August 13, 2004, November 15, 2004, and February 4, 2005.

From the above findings, the Department alleges that Carolina Water Service, Inc. has violated the South Carolina State Primary Drinking Water Regulations as follows:

1. The Respondent violated the South Carolina State Primary Drinking Water Regulations, 24A S.C. Code Ann. Regs. 61-58.5(H)(2) (Supp. 2004), in that the public water system (PWS) exceeded the particle maximum contaminant level (MCL) for Radium 226 and Radium 228 for four (4) consecutive monitoring periods.

CAROLINA WATER SERVICE, INC. IS FURTHER NOTIFIED that failure to attend the scheduled enforcement conference may result in the issuance of an Administrative Order without your consent. Such an Order may contain the above findings and may impose monetary penalties.

This Notice is made pursuant to the State Safe Drinking Water Act, which authorize(s) the Department to issue Orders and assess monetary penalties.